GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3172
ANSWERED ON:21.03.2017
Computerization of Fair Price Shops
Jaiswal Dr. Sanjay;Simha Shri Prathap

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government is in the process of computerising all Fair Price Shops across the country, if so, the details thereof, State-wise along with the progress on the front and the expected timeline for completion;
(b) the steps being taken by the Government to ensure direct benefit transfer to beneficiaries under the Public Distribution System;
(c) whether the Government plans to make Aadhaar card essential although not mandatory, for subsidized foodgrains under the National Food Security Act (NFSA), if so, the details thereof;
(d) whether the Government has prepared a detailed roadmap and an action plan along with State-wise targets to implement the various modes to cashless transactions at all Fair Price Shops and if so, the details of plan of action in this regard since cashless payments are mandated only in 38,000 ration shops out of the total 5.27 lakh shops across the country; and
(e) whether any consultations have been held with States/UTs to enable cashless transactions in all FPSs and to monitor the progress, if so, the outcome thereof?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a): Department has prepared guidelines for Fair Price Shop (FPS) automation, which have been shared with all States/UTs. FPS automation involves, installation of Point of Sale (PoS) devices at FPS for authentication of beneficiaries, recording of sales to beneficiaries at the FPS; and uploading of transaction data in central server. Out of 5.26 lakh FPSs across the country, about 1.79 lakh FPSs have been automated so far. Govt. aims to provide automation facilities in 3 lakh FPSs by March, 2017.
(b): The 'Cash Transfer of Food Subsidy Rules, 2015' was notified on 21-08-2015 under the National Food Security Act, 2013, scheme of providing food subsidy in cash into the bank account of entitled households to enable them to purchase foodgrains from open market, can be taken up in the identified areas for which there is a written consent of the State Govt./UT Administration. The Direct Benefit Transfer (DBT) scheme for food grains have been implemented in 3 UTs namely Chandigarh, Puducherry and partially in Dadra & Nagar Haveli.
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(c): Department has issued a notification dated 8th February, 2017 in pursuance of the provisions of Section 7 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 for use of Aadhaar as identity document for delivery of services/benefits/subsidies that simplifies the Government delivery processes, brings in transparency and efficiency and enables beneficiaries to get their entitlement directly in a convenient and seamless manner and Aadhaar obviates the need for producing multiple documents to prove one's identity. An individual eligible to receive the subsidised food grains/Cash Transfer of Food Subsidy under NFSA and having valid Ration Card issued by State Governments/UT Administration is required to furnish proof of possession of Aadhaar number or undergo Aadhaar authentication. Any new eligible beneficiary who is selected by State Governments/UT Administration for receiving subsidised food grains/Cash Transfer of Food Subsidy under NFSA is also required to furnish proof of possession of Aadhaar number or undergo Aadhaar authentication. All such eligible beneficiaries entitled to receive subsidised food grains/Cash Transfer of Food Subsidy under NFSA, who do not possess the Aadhaar number or, are not yet enrolled for Aadhaar, but are desirous of availing subsidised food grains/Cash Transfer of Food Subsidy under NFSA are required to make application for Aadhaar enrolment by 30th June, 2017, provided he or she is entitled to obtain Aadhaar as per Section 3 of the said Act.
(d) & (e): Department has prepared a detailed roadmap and an action plan along-with State-wise targets to implement the various modes of cashless transactions. However, complete roll out of the strategy for cashless mechanism depends on readiness of the States/UTs, availability of adequate infrastructure, status of financial inclusion, level of Aadhaar seeding, awareness level of beneficiaries and telecom coverage etc. Accordingly, all States/UTs Governments have been advised to adopt a phase wise approach, starting with Metropolitan Cities, Municipal Corporations, Municipalities, District Headquarters and other urban areas where the conditions allow for an effective implementation and then eventually expanding it to semi-urban and rural areas. This Department had briefed all Food Secretaries of States/UTs through Video Conferencing to adopt various modes of cashless transactions at all Fair Price Shops. Secretary (F&PD) also shared the roadmap with state-wise targets to all Chief Secretaries/Administrators. A national level Conference was also held on 19.01.2017 on 'PDS Reforms & Cashless Environment' with State Food Ministers and Secretaries of Food, Civil supplies and Consumer Affairs of all States/UTs at Vigyan Bhavan, New Delhi. Hon'ble Food Ministers of all States/UTs have been requested to enable cashless transactions in all FPSs and monitor the progress. At present, more than 49,000 FPSs are having cashless transactions facilities across the country.
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